

STATE CONTROLLER'S OFFICE  
PERSONNEL/PAYROLL SERVICES DIVISION  
P. O. BOX 942850  
Sacramento, CA 94250-5878

DATE: October 27, 2006

PERSONNEL LETTER #06-016  
CIVIL SERVICE ONLY

TO: All Agencies in the Uniform State Payroll System

FROM: DON SCHEPPMANN, Chief  
Personnel/Payroll Services Division

RE: **JULY 1, 2006 GENERAL SALARY INCREASE FOR CIVIL SERVICE BARGAINING UNIT 7**

Pursuant to the memorandum of understanding, the Department of Personnel Administration (DPA) has approved a general salary increase (GSI) for rank and file bargaining unit 7 classes. DPA also approved a special salary adjustment for certain rank and file, managerial and supervisory bargaining unit 7 classes. All salary increases are effective July 1, 2006. Refer to DPA Pay Letter 06-40 for further information. In addition, bargaining unit 7 is entitled to a one-time \$1000 bonus pay. Information on this bonus will be available in a payroll letter.

The GSI was processed via an employment history (EH) data base mass update and manually for those that could not be included in the mass update (see below). Also, adjustment payments were made for the 07/2006, 08/2006, and 09/2006 pay periods. See below for additional information on the adjustment payments.

1. EH UPDATE PROCESS

An EH mass update was processed on the night of October 19, 2006 (Thursday) to post the 07/01/06 effective date GEN transaction for the rank and file classes. The GEN transaction reflects the GSI within the employee's base salary rate and his/her HAM rate was adjusted when applicable. In addition, out-of-sequence transactions were included in the mass update process. A SAL transaction was processed for the specified rank and file, managerial and supervisory classes entitled to a special salary adjustment. For class codes that received a special salary adjustment effective 07/01/06 per DPA Pay Letter #06-35, a SALF will be processed for the additional salary adjustment authorized per DPA Pay Letter #06-40. PPSD manually updated these records beginning Friday, October 20, 2006.

PPSD will manually update the EH records rejected from the mass update and separation transactions effective prior to July 1, 2006 with lump sum pay extending into the new salary pay period. These employees will be processed on a flow basis. Also, PPSD will notify departments of situations requiring department action.

A turnaround (TAD) PAR was issued from the update. The TAD PARS are being released on a flow basis.

## 2. SPECIAL DOCUMENTATION/PROCESSING INSTRUCTIONS

Once an employee's EH record is updated, the 07/01/06 effective date GEN/SAL transaction could create an out-of-sequence condition. If allowed, salary rate must be entered on any new out-of-sequence transaction. If not entered, the salary rate per the 07/01/06 effective date GEN/SAL transaction will be reflected on the new transaction and could create an overpayment situation. See PAM Section 9 for further processing instructions.

If correcting a 07/01/06 effective date transaction that was posted before the 07/01/06 effective date GEN/SAL transaction, key enter the GSI Code O (alpha O in the GSI field on the PAR1 update screen) on the correct transaction to denote old salary rate. Also, per DPA, an MSA transaction shall be applied before a salary rate change. Thus, the 07/01/06 effective date MSA transaction must be posted on an employee's EH record before the 07/01/06 effective date GEN/SAL transaction. Key enter the GSI Code O on the MSA transaction to denote old salary rate. Failure to enter the GSI Code O could result in an incorrect base salary rate and/or anniversary date (i.e., overpayment).

## 3. PAYROLL ADJUSTMENTS

Adjustments for regular pay payments and overtime payments (i.e., non-FLSA overtime pay) that have already have been issued were automatically made after the employee's EH record was updated for the salary change. For employees updated via the above EH mass update, the adjustments were made in the October 20, 2006 payroll cycle (issue date 10/23/06). For employees updated manually, the adjustments will issue in the payroll cycle following the date the EH record is updated.

PPSD will issue adjustments for holiday pay system generated rate payments (payment type S, payment suffix H). The adjustment payments will be issued during November 2006.

Departments will need to request GSI adjustments to FLSA overtime pay (payment type 1, payment suffix F) via the PIP system. See PPM sections G020-024 and K for further information. Likewise, departments will need to submit Form STD. 674/674D to request adjustments for the following payments that have issued for the 07/2006, 08/2006, and 09/2006 pay periods.

- Regular pay with dock applied for employees with a mid-month change.
- Regular pay for employees on an alternative work schedule or working a shift and time paid does not equal time possible for the pay period.
- Industrial Disability (IDL).
- Temporary Disability (TD).
- Nonindustrial Disability Leave (NDI) if benefits began after the 06/2006 pay period.
- NDI Annual Leave Supplementation.
- Out-of-Class pay.

- Supplemental pay differential pay if the pay is based on a percentage of the employee's based on salary rate and the employee is receiving a GSI.
- Holiday pay, user-entered rate (payment type S, payment suffix G).

#### 4. RETROACTIVITY CHARGES

The transactions as a result of the July 1, 2006 salary change are considered to be non-controllable personnel and payroll transactions. The EH transactions and payroll adjustments resulting from the EH mass update or initiated by PPSD should not be reflected on the Monthly Retroactivity Report. The EH transactions and payroll transactions that are key entered by the departments will appear on the department's report. The department can return the report identifying the items associated with the July 1, 2006 salary change along with the appropriate explanation.

#### 5. TELEPHONE CONTACTS

Questions regarding the salary changes and EH/Payroll processing information can be directed as follows:

| <u>AREA</u>                   | <u>CONTACT</u>                     | <u>TELEPHONE NUMBER</u> |
|-------------------------------|------------------------------------|-------------------------|
| Salary Program                | DPA                                | (916) 324-9381          |
| EH Procedures                 | Personnel Operations Liaison Staff | (916) 322-6500          |
| Disability Procedures         | Disability Liaison Unit            | (916) 322-3619          |
| General Payroll<br>Procedures | Payroll Liaison Staff              | (916) 323-3081          |

DS:JB:PMAB